



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

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June 17, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Pursuit of County Position on a State Budget Item.** On June 15, 2016, the Legislature approved the FY 2016-17 State Budget package which reflects an agreement with the Administration to repeal the Maximum Family Grant (MFG) rule under the CalWORKs Program effective January 1, 2017, among other components. The MFG rule prohibits the denial of aid, or an increase in the maximum aid payment, if a child was born into an applicant's or recipient's family while receiving aid in the program. Therefore, unless otherwise directed by the Board, consistent with **County-supported SB 23 (Mitchell)**, which proposes to repeal the MFG rule, and consistent with existing policy to support proposals to repeal the CalWORKs MFG rule which prohibits a CalWORKs grant increase for any child born into a family receiving CalWORKs Program aid for ten continuous months prior to the birth of a child, **the Sacramento advocates will support the State Budget proposal to include the repeal the CalWORKs Maximum Family Grant Rule.**

"To Enrich Lives Through Effective And Caring Service"

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Pursuit of County Position on a State Budget Item

On June 15, 2016, the Legislature approved the FY 2016-17 State Budget package which reflects an agreement with the Administration to repeal the Maximum Family Grant (MFG) rule under the CalWORKs Program effective January 1, 2017, among other components. The MFG rule prohibits the denial of aid, or an increase in the maximum aid payment, if a child was born into an applicant's or recipient's family while receiving aid in the program. **This proposal is consistent with County-supported SB 23 (Mitchell)**, which would repeal the CalWORKs Program MFG rule, among other provisions.

Background

Existing law establishes guidelines for determining a family's Maximum Aid Payment (MAP) under the CalWORKs Program, including all eligible family members, and the level of aid to be paid. The MFG rule prohibits an increase in CalWORKs aid if the family received aid continuously for the ten months prior to the birth of a child. Current law exempts specified circumstances from this prohibition, including but not limited to: 1) any child conceived as a result of an act of rape if the rape was reported to a law enforcement agency, medical or mental professional or social services agency prior to or within three months after the birth of the child; 2) if the family does not receive aid for two consecutive months during the ten months prior to the child's birth; and 3) if a family member returns to aid after a break of two or more years during which the family did not receive any CalWORKs aid, including homeless benefits, provided that the family still meets eligibility requirements and aided children are still under 18 years old.

Furthermore, pursuant to the *McCormick vs. County of Alameda* decision, the Board approved policy on September 2, 2014 extending General Relief (GR) assistance and amending the County Code to provide eligibility for GR to minor children ineligible for CalWORKs benefits due to the MFG rule as follows: 1) GR eligible MFG children who are a part of an approved CalWORKs case in which the family is receiving a zero dollar CalWORKs grant for reasons other than failure to comply with CalWORKs Program requirements; or 2) MFG children whose CalWORKs case was terminated prior to the GR application and the family was receiving a zero dollar CalWORKs grant for reasons other than failure to comply with CalWORKs requirements. The maximum GR cash benefit an MFG child can receive is \$221 per month for the 24 consecutive-month period that it takes for the MFG child to become eligible for the CalWORKs benefits.

County Impact

The Department of Public Social Services (DPSS) indicates that this budget proposal would allow basic assistance for children in families with existing CalWORKs cases and families who apply for CalWORKs in the future by alleviating a degree of the financial impact, due to a reduced grant that may hinder parents in achieving self-sufficiency. Furthermore, according to DPSS, if this budget proposal is enacted, the net fiscal impact on the County could result in a potential savings, as the 2.5 percent share of the CalWORKs grant for all current MFG children could be less than the 100 percent Net County Cost of the GR grant costs for MFG children who currently qualify under the Board-approved GR Policy.

According to the Department of Public Social Services, the repeal of the MFG rule would allow basic assistance to the 45,717 children in the County who are currently unaided due to the MFG rule.

Conclusion

This office and the Department of Public Social Services support this State Budget proposal. Therefore, unless otherwise directed by the Board, consistent with **County-supported SB 23 (Mitchell)**, which proposes to repeal the MFG rule, and consistent with existing policy to support proposals to repeal the CalWORKs MFG rule which prohibits a CalWORKs grant increase for any child born into a family receiving CalWORKs Program aid for ten continuous months prior to the birth of a child, **the Sacramento advocates will support the State Budget proposal to repeal the CalWORKs Maximum Family Grant rule.**

This proposal is supported by the County Welfare Directors Association, Western Center on Law and Poverty, among many others. There is no opposition on file.

We will continue to keep you advised.

SAH:JJ:MR
OR:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association